

CLEVELAND PUBLIC LIBRARY  
BUSINESS INFORMATION BUREAU  
CORPORATION FILE



**MCCRORY STORES CORPORATION**

*Annual Report*

**1951**



# DIRECTORS AND OFFICERS

## *Directors*

	RANDOLPH CATLIN	R. F. COPPEDGE
A. J. FINK	FRANK J. HUMPHREY, JR.	N. BAXTER JACKSON
ROBERT W. JAMESON	HARRY O. LATHAM	WILLIAM L. LESS
F. W. PAUL	LEONARD SPANGENBERG	EUGENE W. STETSON

## *Executive Committee*

	ROBERT W. JAMESON, <i>Chairman</i>	
R. F. COPPEDGE	A. J. FINK	F. W. PAUL
EUGENE W. STETSON		LEONARD SPANGENBERG

## *Officers*

	R. F. COPPEDGE, <i>Chairman of the Board of Directors</i>
F. W. PAUL	<i>President</i>
G. C. CHAMBERS	<i>Vice President</i>
R. A. VROOM	<i>Vice President</i>
M. O. HILL	<i>Vice President</i>
T. C. LAWRENCE	<i>Financial Vice Pres. &amp; Secretary-Treasurer</i>
H. H. BOSCH	<i>Comptroller</i>

---

<b>General Counsel</b>	Sullivan & Cromwell, New York, N. Y.
<b>Auditors</b>	S. D. Leidesdorf & Co., New York, N. Y.
<b>Transfer Agent</b>	Guaranty Trust Company of New York
<b>Registrar</b>	
<b>Common Stock</b>	Bankers Trust Company, New York, N. Y.
<b>Preferred Stock</b>	Chemical Bank & Trust Company, New York, N. Y.
<b>General Office</b>	1107 Broadway, New York, N. Y.

# McCRORY STORES CORPORATION

## *Comparative Summary of 1951, 1950 and 1949*

	1951	1950	1949
SALES .....	\$104,222,322	\$98,665,602	\$95,767,297
WAGES AND SALARIES (including payroll taxes and employee benefits) .....	18,363,555	17,381,588	16,839,003
FEDERAL TAXES ON INCOME .....	3,740,000	3,540,000	2,755,000
NET INCOME .....	4,089,481	5,265,179	4,831,191
CASH DIVIDENDS PAID ON			
Preferred Stock .....	209,674	210,000	210,000
Common Stock .....	2,851,142	3,135,662	2,850,602
NUMBER OF STOCKHOLDERS AT END			
OF YEAR .....	6,308	5,828	6,056
EXPENDITURES FOR PROPERTY AND EQUIPMENT .....	3,898,986	2,844,561	4,323,550
PROVISION FOR DEPRECIATION AND AMORTIZATION .....	1,252,196	1,130,796	950,522
EARNINGS PER SHARE OF COMMON STOCK (reflecting 2 for 1 Split April 1951) .....	1.70	2.21½	2.02½



# REPORT TO STOCKHOLDERS

---

February 14, 1952

## TO THE STOCKHOLDERS:

There is submitted herewith a report on the operations of the McCrory Stores Corporation for the year ended December 31, 1951 together with a comparative Balance Sheet and comparative statement of Income and Surplus. Summarized on the opposite page are some important aspects of the 1951 operations compared with those of 1950 and 1949.

Sales of \$104,222,322 exceeded the sales for 1950 by 5.6% and for the first time in the history of the Company were in excess of 100 million dollars.

Earnings amounted to \$4,089,481 equal to \$1.70 per share of common stock which compares with \$2.21½ earned in 1950 after giving effect to the two for one split of common stock in April 1951. Federal Income Taxes continued to take a large share of the company's earnings and in the year 1951 exceeded the amount paid to common stockholders.

---

# McCRORY STORES CORPORATION

After giving effect to the two for one split of common stock the dividends paid during 1951 amounted to \$1.25 per share which represented 73% of the company's earnings as compared with \$1.37½ per share in 1950 or 62% of earnings.

The 3½% Preferred Stock is convertible at the option of the respective holders into 5 shares of common stock for each share of preferred stock, and 299,465 shares of common stock are reserved for issuance upon conversion. During the year, 535 shares of common stock were issued for 107 shares of preferred stock and the excess of the par value of the preferred stock over common stock was credited to Capital Surplus.

Expenditures during 1951 for new stores and for expansion and development of old stores amounted to approximately \$3,900,000. New stores were opened in the latter part of the year at Waycross, Ga., Ft. Bragg, N. C., and El Dorado, Ark. The store at Johnson City, N. Y. was relocated and the stores at Bristol, Tenn., Staunton, Va. and Galveston, Texas were completely rebuilt. Nine stores in seven different states were enlarged and new air-conditioning equipment was installed in three large stores. In addition to the work completed on the aforementioned nineteen stores work has progressed on nine additional stores to the point where it is hoped that they will be completed and in operation during the first half of 1952. Of the nine stores to be completed in 1952, four will be new stores, three enlarged stores and two relocated.

At the end of 1951 working capital amounted to \$14,265,850 as compared with \$15,951,695 at December 31, 1950. As indicated in the

# REPORT TO STOCKHOLDERS

tabulation below a very substantial factor in the decrease in working capital is represented by the excess of expenditures for capital assets over annual charges for depreciation and amortization.

## WORKING CAPITAL SUMMARY

WORKING CAPITAL—JANUARY 1, 1951	\$15,951,695
ADDITIONS TO WORKING CAPITAL:	
Net Income for 1951	\$4,089,481
Amortization and depreciation	<u>1,252,196</u>
	5,341,677
	<u>\$21,293,372</u>
DEDUCTIONS FROM WORKING CAPITAL:	
Cash dividends on Preferred and Common Stock	\$3,060,816
Capital Assets (expenditures for new and remodelled stores, etc.—Net)	3,898,986
Increase in deferred charges, etc.	<u>67,720</u>
	7,027,522
WORKING CAPITAL—DECEMBER 31, 1951	<u><u>\$14,265,850</u></u>

The Board of Directors again wishes to express to all those concerned with the operations of the company their appreciation for their continued cooperation and devotion to the company's interests.

—BY ORDER OF THE BOARD OF DIRECTORS

*R. F. Coppedge*

R. F. COPPEDGE, *Chairman*

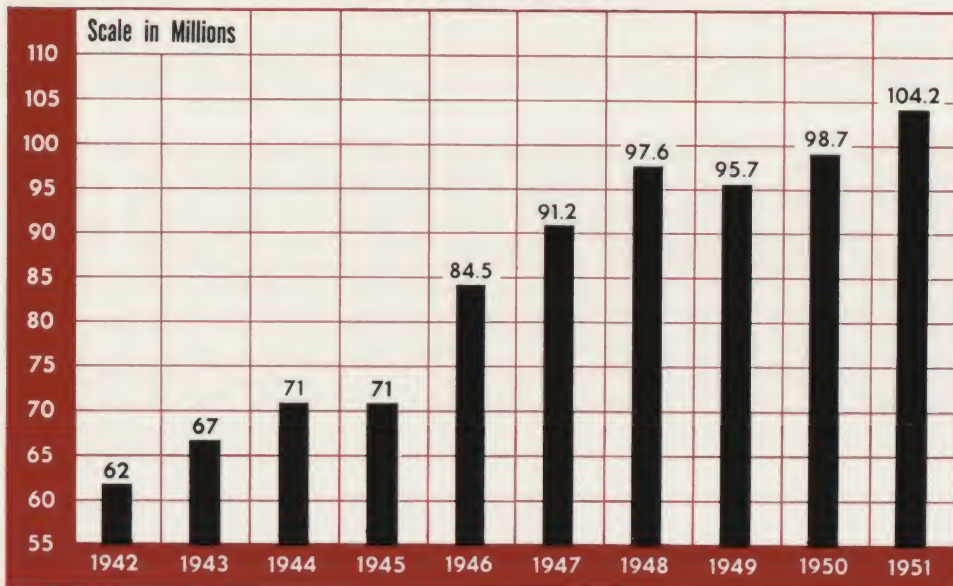
*F. W. Paul*

F. W. PAUL, *President*

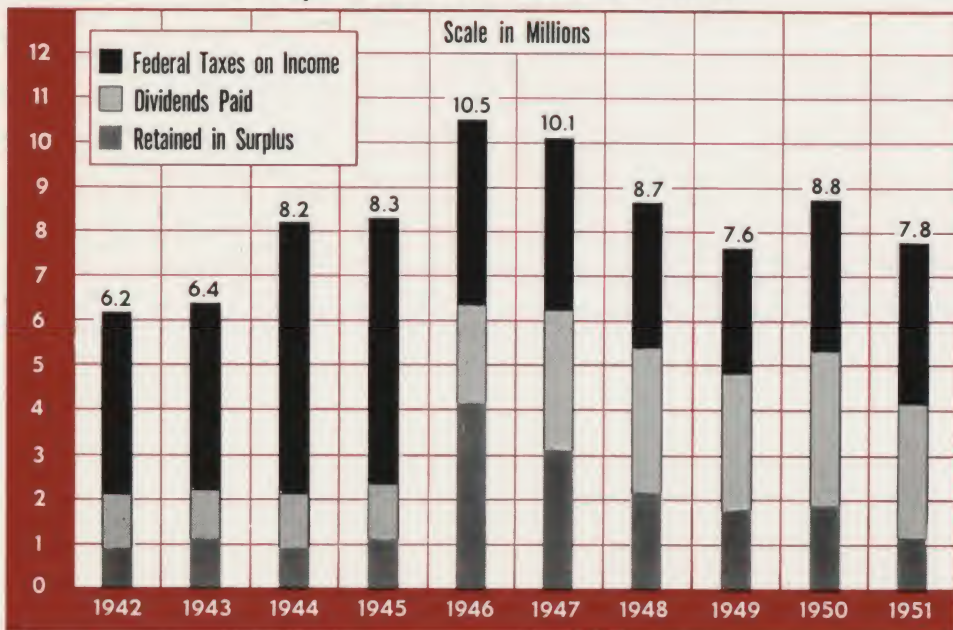


# SALES AND INCOME GRAPHS

## Annual Sales



## Disposition of Income





# ACCOUNTANTS' REPORT

TO THE BOARD OF DIRECTORS  
McCRORY STORES CORPORATION  
NEW YORK, N. Y.

We have examined the balance sheet of McCrory Stores Corporation as at December 31, 1951 and the related statement of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our examination of the merchandise inventories included a general review of the inventory records, tests to determine the mathematical accuracy of the inventory schedules and physical tests of the quantities included in the warehouse inventories. We reviewed the method of store inventory taking as outlined in the inventory instructions issued by the management, and had our representatives present at certain stores, selected by us, for the purpose of satisfying ourselves that the inventory instructions were carried out effectively. At such stores, tests were made of quantities and retail prices which were checked to the merchandising records used as a basis for the retail method of inventory valuation.

In our opinion, the accompanying balance sheet and statement of income and surplus, together with the notes to financial statements, present fairly the financial position of McCrory Stores Corporation at December 31, 1951, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

S. D. LEIDESDORF & CO.

*Certified Public Accountants*

New York, N. Y., February 14, 1952

# McCRORY STORES CORPORATION

*McCrory Stores*

**BALANCE SHEET as at December 31,**

## ASSETS

CURRENT ASSETS:	1951	1950
Cash on hand, in banks and in transit .....	\$ 8,777,776	\$ 7,642,202
U. S. Government obligations—at par .....	—	1,000,000
Merchandise inventories—Note A .....	13,372,628	15,678,387
Miscellaneous accounts receivable, less reserve ..	743,624	96,227
Total Current Assets .....	<u>22,894,028</u>	<u>24,416,816</u>
FIXED ASSETS:		
Real estate, at adjusted value December 31, 1936 and subsequent additions at cost .....	6,190,745	6,196,008
Furniture and fixtures, equipment and utensils, at cost .....	11,501,638	9,967,392
Improvements to leased property, at adjusted value January 1, 1936 and subsequent additions at cost .....	14,565,750	12,602,069
	<u>32,258,133</u>	<u>28,765,469</u>
Less: Reserves .....	9,871,605	8,965,332
Total Fixed Assets .....	<u>22,386,528</u>	<u>19,800,137</u>
DEFERRED CHARGES:		
Prepaid rents, insurance, taxes, store supplies, etc. ....	1,097,094	968,975
	<u>\$46,377,650</u>	<u>\$45,185,928</u>

## NOTES TO FINANCIAL STATEMENTS

Financial Statements as at or for the year ended December 31, 1950 are included for comparative purposes only.

Note A—	1951	1950
Merchandise at Stores:		
Inventories at the lower of cost or market based upon the retail method of inventory valuation .....	\$10,858,782	\$12,307,114
Inventories at cost—Restaurants .....	118,725	113,644
Merchandise at Warehouses—at cost .....	852,201	1,188,580
Merchandise in Transit—at cost .....	1,542,920	2,069,049
	<u>\$13,372,628</u>	<u>\$15,678,387</u>

Cost of goods sold for the current year has been determined on the basis of inventories established as outlined above.

### Note B—

The 3½% Cumulative Convertible Preferred Stock is redeemable at the option of the Corporation in whole or in part, at \$104.00 per share, plus accrued dividends to date of redemption, and in the event of voluntary liquidation, is entitled to receive an amount equal to the then redemption price and in the event of involuntary liquidation is entitled to \$100.00 per share and accrued dividends.



# COMPARATIVE BALANCE SHEET

*s Corporation*

December 31, 1951 and 1950

## LIABILITIES

CURRENT LIABILITIES:	1951	1950
Accounts payable—including merchandise in transit	\$ 3,882,499	\$ 3,278,387
Accrued expenses, taxes, rents, salaries, etc.	3,753,565	3,505,765
Reserve for Federal taxes on income	3,992,114	3,680,969
Less: U. S. Treasury Notes	(3,000,000)	(2,000,000)
Total Current Liabilities	<u>8,628,178</u>	<u>8,465,121</u>
CAPITAL STOCK AND SURPLUS — Notes B, C and D:		
Preferred Stock—par value \$100.00 per share:		
Authorized 80,000 shares		
3½% Series—Cumulative Convertible		
Outstanding 59,893 shares—1951	5,989,300	—
60,000 shares—1950	—	6,000,000
Common Stock—par value \$.50 per share:		
Authorized 2,800,000 shares		
Issued and outstanding 2,281,017 shares—1951	1,140,508	—
*2,280,482 shares—1950	—	1,140,241
Capital Surplus	7,723,474	7,713,041
Earned Surplus (since January 1, 1936)	<u>22,896,190</u>	<u>21,867,525</u>
	<u>37,749,472</u>	<u>36,720,807</u>
	<u>\$46,377,650</u>	<u>\$45,185,928</u>

## AL STATEMENTS

### Note C—

In April 1951, the Corporation authorized a two for one split of its Common Stock and changed the par value from \$1.00 per share to \$.50 per share. Of the total of 2,800,000 shares of Common Stock authorized 299,465 shares are reserved for issuance upon conversion of the 3½% Cumulative Convertible Preferred Stock.

### Note D—

Pursuant to certain restrictions in connection with the authorization of 3½% Cumulative Convertible Preferred Stock, Capital and Earned Surplus as at December 31, 1951 in the approximate amount of \$16,000,000 is not available for dividends on the Common Stock.

### GENERAL—

At December 31, 1951 the minimum annual rentals upon property leased to the Corporation under 257 leases expiring after December 31, 1954, amount to approximately \$3,150,000, plus real estate taxes, insurance, etc.

The accompanying financial statements are subject to final determination of Federal and state taxes.

\* Number of shares of Common Stock as at December 31, 1950 has been adjusted to reflect 2 for 1 split during April 1951.



# McCRORY STORES CORPORATION

## *Statement of Income and Surplus*

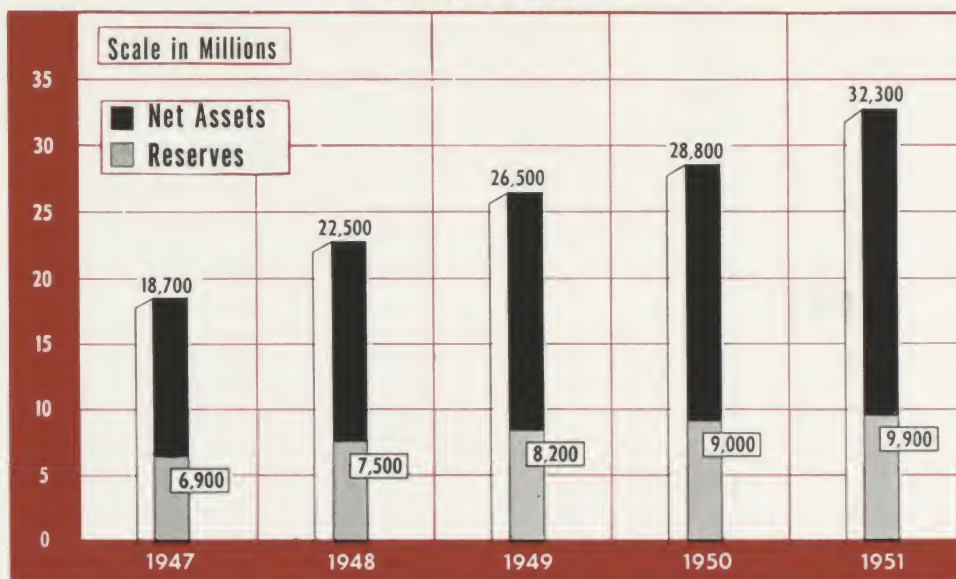
For the Years Ended December 31, 1951 and 1950

	1951	1950
SALES (merchandise, restaurant and concession)	\$104,222,322	\$98,665,602
Cost of goods sold and operating expenses including occupancy and general and administrative expenses	<u>95,388,318</u> <u>8,834,004</u>	<u>89,070,973</u> <u>9,594,629</u>
OTHER INCOME:		
Income from sale of store property	35,486	215,790
Miscellaneous income, less other deductions	<u>212,187</u>	<u>125,556</u>
	<u>247,673</u>	<u>341,346</u>
Net income before depreciation, amortization and Federal taxes on income	9,081,677	9,935,975
Depreciation and amortization	<u>1,252,196</u>	<u>1,130,796</u>
Net income before Federal taxes on income	7,829,481	8,805,179
Provision for Federal taxes on income	<u>3,740,000</u>	<u>3,540,000</u>
NET INCOME	4,089,481	5,265,179
Earned Surplus (since January 1, 1936) as at December 31, 1950 and 1949	<u>21,867,525</u> <u>25,957,006</u>	<u>19,948,008</u> <u>25,213,187</u>
Dividends paid on:		
Common Stock—\$1.25 per share in 1951 \$1.37½ per share in 1950	2,851,142	3,135,662
Preferred Stock	<u>209,674</u>	<u>210,000</u>
	<u>3,060,816</u>	<u>3,345,662</u>
EARNED SURPLUS (since January 1, 1936) as at Dec. 31, 1951 and 1950—Note D	<u>\$ 22,896,190</u>	<u>\$21,867,525</u>
CAPITAL SURPLUS as at December 31, 1950 and 1949	\$ 7,713,041	\$ 7,713,041
Excess of par value of 107 shares of 3½% Cumulative Convertible Preferred Stock over par value of 535 shares of Common Stock issued upon conversion	<u>10,433</u>	
CAPITAL SURPLUS as at December 31, 1951 and 1950	<u>\$ 7,723,474</u>	<u>\$ 7,713,041</u>

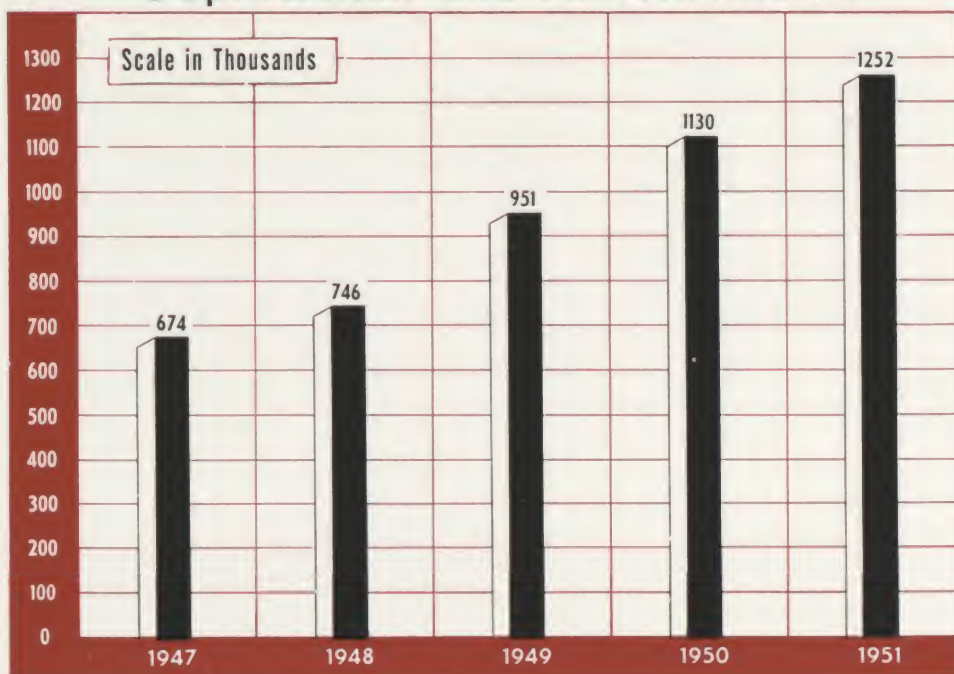
The Notes to Financial Statements are an integral part of this statement and should be read in conjunction herewith.

# FIXED ASSETS GRAPHS

## Fixed Assets



## Depreciation and Amortization





# McCRORY STORES CORPORATION

## Ten Year Summary

	1951	1950	1949
Sales	\$104,222	\$98,665	\$95,767
Cost of Sales, including occupancy expenses	71,011	66,140	65,137
Selling, general and administrative expenses	24,378	22,930	22,249
Depreciation and amortization	1,252	1,130	951
Other Income less other deductions	248	340	156
Net Income Before Federal Taxes	7,829	8,805	7,586
Federal Taxes on Income	3,740	3,540	2,755
Net Income	4,089	5,265	4,831
Cash Dividends on Preferred Stock	210	210	210
Cash Dividends on Common Stock	2,851	3,135	2,850
*Net Income per share of Common Stock	1.70	2.21½	2.02½
*Cash Dividends per share of Common Stock	1.25	1.37½	1.25
Number of Stores	206	205	201

## Balance Sheet as

ASSETS	1951	1950	1949
Cash and U.S. Government Securities	\$ 8,778	\$ 8,642	\$10,876
Merchandise Inventories	13,372	15,678	11,407
Miscellaneous Accounts Receivable	744	96	48
Total Current Assets	22,894	24,416	22,331
Fixed Assets (less depreciation and amortization)	22,387	19,800	18,316
Deferred Charges, etc.	1,097	968	909
Total Assets	46,378	45,184	41,556
LIABILITIES AND CAPITAL			
Accounts Payable and other Liabilities	7,636	6,784	6,004
Federal Taxes On Income	3,992	3,680	2,870
Less: U.S. Treasury Notes	(3,000)	(2,000)	(2,120)
Total Current Liabilities	8,628	8,464	6,754
Long Term Debt			
Preferred Stock	5,990	6,000	6,000
Common Stock (including surplus)	31,760	30,720	28,802
Total Liabilities and Capital	46,378	45,184	41,556
Net Working Capital	14,266	15,952	15,577
*Net Worth per share of Common Stock	13.92	13.47	12.63

\* Number of shares of Common Stock has been adjusted to reflect 2 for 1 split during April 1951.



# TEN YEAR SUMMARY

## Statement of Income

(In thousands of dollars)

1948	1947	1946	1945	1944	1943	1942
\$97,588	\$91,225	\$84,509	\$71,282	\$71,324	\$67,351	\$62,613
66,088	61,336	56,645	48,182	48,433	47,010	43,121
22,139	19,569	16,999	14,060	13,932	13,162	12,388
746	674	651	667	712	736	731
74	407	324	(91)	(64)	(80)	(188)
8,689	10,053	10,538	8,282	8,183	6,363	6,185
3,200	3,750	4,000	5,910	6,000	4,075	4,000
5,489	6,303	6,538	2,372	2,183	2,288	2,185
210	210	205	225	300	300	300
3,193	3,022	2,280	995	990	990	990
2.31½	2.67	2.77½	1.00	.95	1.00½	.95
1.40	1.32½	1.00	.50	.50	.50	.50
202	199	199	199	203	201	202

at December 31st

1948	1947	1946	1945	1944	1943	1942
\$12,195	\$15,003	\$15,632	\$14,197	\$13,660	\$10,362	\$ 8,070
11,379	11,908	8,271	5,131	5,698	8,137	10,384
114	190	101	189	45	44	22
23,688	27,101	24,004	19,517	19,403	18,543	18,476
14,983	11,809	10,744	10,285	10,850	11,293	11,916
1,142	1,133	1,124	809	1,294	924	861
39,813	40,043	35,872	30,611	31,547	30,760	31,253
6,517	8,339	5,842	4,511	4,458	3,608	4,714
3,265	3,759	4,469	6,326	6,654	4,250	4,000
(3,000)	(3,000)	(3,500)	(3,320)	(3,100)	—	—
6,782	9,098	6,811	7,517	8,012	7,858	8,714
		72	—	2,625	2,885	3,520
6,000	6,000	6,000	6,000	6,000	6,000	6,000
27,031	24,945	22,989	17,094	14,910	14,017	13,019
39,813	40,043	35,872	30,611	31,547	30,760	31,253
16,906	18,003	17,193	12,000	11,391	10,685	9,762
11.85½	10.94	10.08	8.24	7.53	7.07½	6.57½

# 206 McCrory Stores

## 206 McCrory Stores...

### Alabama (1)

Eufaula

### Arkansas (3)

Eldorado  
Fort Smith  
Jonesboro

### Connecticut (1)

Danbury

### Delaware (1)

Dover

### Dist. of Col (1)

Washington

### Florida (37)

Arcadia  
Bartow  
Bradenton  
Clearwater  
Daytona Beach  
128 S. Beach St.  
814 Main St.  
Deland  
Fort Lauderdale  
Fort Myers  
Fort Pierce  
Gainesville  
Homestead  
Jacksonville

### Fla. (cont.)

Kissimmee  
Lake City  
Lakeland  
Leesburg  
Live Oak  
Melbourne  
Miami  
Miami Beach  
New Smyrna  
Ocala  
Orlando  
Palatka  
Panama City  
Plant City  
Punta Gorda  
Quincy  
Sanford  
Sarasota  
St. Augustine  
St. Petersburg  
Tallahassee  
Wauchula  
West Palm Beach  
Winter Haven

### Georgia (8)

Atlanta  
Bainbridge  
Columbus  
Cordele  
Savannah  
Tifton  
Valdosta  
Waycross

### Indiana (3)

Anderson  
Indianapolis  
Terre Haute

### Kentucky (2)

Louisville  
†Lexington

### Louisiana (3)

Lafayette  
New Orleans  
1626 Dryades St.  
1005 Canal St.

### Maryland (8)

Baltimore  
Cambridge  
Crisfield  
Cumberland  
Easton  
Frederick  
Hagerstown  
Salisbury

### Massachusetts (2)

New Bedford  
1115 Acushnet Ave.  
1009 S. Water St.

### Mississippi (3)

Gulfport  
Jackson  
McComb

### Missouri (1)

St. Louis

### New Jersey (12)

Asbury Park  
Atlantic City  
Burlington  
Camden  
†Clifton  
Jersey City  
Newark  
Orange  
Passaic  
Perth Amboy  
Rahway  
Union

### New York (8)

Bay Shore, L. I.  
Brooklyn  
Johnson City  
Long Island City  
New York City  
Niagara Falls  
Rego Park  
Syracuse

### North Carolina (5)

Dunn  
Fayetteville  
Fort Bragg  
Roanoke Rapids  
Tarboro

# IN TWENTY-THREE STATES\*

## ... IN TWENTY-THREE STATES\*

### Ohio (9)

Canton  
Cleveland  
Dayton  
East Liverpool  
Hamilton  
Kent  
Springfield  
Steubenville  
Youngstown

### Pa. (cont.)

Greensburg  
Hanover  
Homestead  
Huntingdon  
Indiana  
Johnstown  
Kane  
Lancaster  
Lebanon  
Lewistown  
Monongahela  
Mt. Pleasant  
Patton

### Pennsylvania (56)

Allentown  
Altoona  
Barnesboro  
Bethlehem  
Bradford  
Bristol  
Brookville  
Canonsburg  
Carlisle  
Carnegie  
Chambersburg  
Charlertoi  
Chester  
Clearfield  
Connellsville  
Cresson  
Donora  
DuBois  
Ebensburg  
Emporium  
Franklin

Philadelphia  
1205 Market St.  
919 Market St.  
Philipsburg  
Pittsburgh  
105 E. Ohio St.  
314 Fifth Avenue  
Portage  
Pottstown  
Punxsutawney  
Reading  
Reynoldsville  
Ridgway  
Scottdale  
Scranton  
Somerset  
South Fork  
Tyrone  
Vandergrift  
Waynesboro  
Waynesburg  
Wilkes-Barre  
Windber  
York

### South Carolina (8)

Aiken  
Chester  
Columbia  
Gaffney  
Georgetown  
Greenwood  
Newberry  
Rock Hill

### Texas (cont.)

Taylor  
Terrell  
Waco  
Wichita Falls

### Virginia (8)

†Arlington  
Cape Charles  
Charlottesville  
Front Royal  
Harrisonburg  
Pulaski  
Staunton  
Winchester

### Tennessee (4)

Bristol  
Kingsport  
Morristown  
Oak Ridge

### Texas (14)

Big Spring  
Corpus Christi  
Denton  
Fort Worth  
Galveston  
Hillsboro  
McAllen  
Nacogdoches  
Palestine  
San Antonio

### West Virginia (11)

Charleston  
Clarksburg  
Fairmont  
Grafton  
Huntington  
Mannington  
Martinsburg  
Morgantown  
New Martinsville  
Parkersburg  
Wheeling

\*And the District of Columbia.

†Stores contemplated or under Construction.

Stockrooms at New York, N. Y. and Huntingdon, Pa.







